
Introduced by Senator Ashburn

February 22, 2005

An act to add Sections 20035.01 and 20035.51 to the Government Code, relating to public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 882, as introduced, Ashburn. Public employees' retirement: final compensation.

The Public Employees' Retirement Law generally defines "final compensation," for state members and school members, for purposes of calculating retirement benefits, as the highest annual average compensation earnable by the member during a designated 12-month period. The Public Employees' Retirement Law also defines "final compensation" in other ways for specified member classifications.

This bill would define "final compensation" for state members and school members of the Public Employees' Retirement System who retire or die on or after January 1, 2006, as the highest annual compensation earnable by the member during a consecutive 36-month period immediately preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier, or any other consecutive 36-month period designated by the member.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 20035.01 is added to the Government
- 2 Code, to read:

1 20035.01. Notwithstanding any other provision of this article,
2 “final compensation” for the purposes of determining any
3 pension or benefit with respect to a state member who retires or
4 dies on or after January 1, 2006, and with respect to benefits
5 based on service with the state, means the highest annual
6 compensation that was earnable by the state member during the
7 consecutive 36-month period of employment immediately
8 preceding the effective date of his or her retirement or the date of
9 his or her last separation from state service if earlier or during
10 any other period of 36 consecutive months during his or her
11 membership in this system that the member designates on the
12 application for retirement.

13 SEC. 2. Section 20035.51 is added to the Government Code,
14 to read:

15 20035.51. Notwithstanding any other provision of this article,
16 “final compensation” for the purposes of determining any
17 pension or benefit with respect to a school member who retires or
18 dies on or after January 1, 2006, and with respect to benefits
19 based on service with a school employer, means the highest
20 annual compensation that was earnable by the school member
21 during the consecutive 36-month period of employment
22 immediately preceding the effective date of his or her retirement
23 or the date of his or her last separation from service if earlier or
24 during any other period of 36 consecutive months during his or
25 her membership in this system that the member designates on the
26 application for retirement.